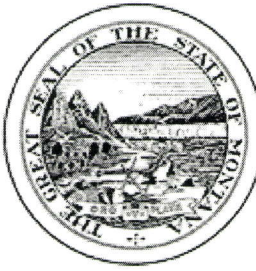


# MONTANA PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION



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STATE OF MONTANA



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November 16, 2015

Senator Dee Brown, Chair  
State Administration and Veterans' Affairs  
State Capitol  
Helena MT 59620

RE: Highway Patrol Officers' Retirement System DROP Rules

Dear Senator Brown:

While reviewing the Public Employee Retirement Board's (PERB's) proposed rules implementing the Highway Patrol Officers' Retirement System Deferred Retirement Option Plan (HPORS DROP), Ginger Aldrich brought to our attention an issue with the HPORS DROP statutes. Specifically, Ms. Aldrich noted that section 19-6-1005(2), MCA may need to be amended in 2017 to better provide for the payment of interest at fiscal yearend rather than monthly.

PERB agrees with Ms. Aldrich. When working with the Association of Montana Troopers to enact the HPORS DROP, PERB expressed its preference that the HPORS DROP mirror the DROP in the Municipal Police Officers' Retirement System (MPORS). Interest is paid at fiscal yearend in the MPORS DROP and it was the intent of PERB and the Association that interest be paid at fiscal yearend in HPORS as well. Unfortunately, the structure of 19-6-1005(2), MCA calls into question whether the interest should be awarded monthly or at fiscal yearend.

PERB intends to propose an amendment to 19-6-1005(2), MCA as part of its 2017 general revisions bill to clarify payment of interest at fiscal yearend and respectfully requests SAVA's support of this intention.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dore Schwinden".

Dore Schwinden  
Executive Director

State Administration & Veterans' Affairs  
November 17, 2015  
Exhibit 4